
Budget Process

Purpose

The Fiscal Year 2001 (FY 01) Budget is the financial, operating, and policy plan for school district operations during the fiscal year, July 1, 2000 through June 30, 2001.

Each year, Ohio Revised Code (ORC) requires that an annual appropriation be adopted for the fiscal year July 1 to June 30. School districts have the option of passing a temporary budget at July 1, but must have the final appropriation completed by September 20. However, Columbus Public Schools adopts a full appropriations measure that lists all of the programs, goals, and initiatives for the district on July 1.

Statutory Requirements

The adoption of the budget by the Board of Education prior to July 1, 2000 is required by statute (ORC 009.34). The Columbus Board of Education will be asked to approve the budget on June 20, 2000.

The contents of the annual appropriation are stipulated by law (ORC 5705.35); the format is prescribed by the county auditor to comply with that law.

After the budget is adopted, periodic revisions can be made by submitting an appropriations revision to the Board of Education and approved by majority vote.

Composition

The Budget includes actual revenues & expenditures for the prior fiscal year (FY 99), the appropriations budget for the current fiscal year (FY 00), and proposed appropriations of the budget for next fiscal year (FY 01).

All funds of the district are included in the budget, but the focus of the document is the General Fund. It is the largest fund and the one designated to pay the district's operating expenses.

The General Fund portion of the FY 01 Budget includes estimates of revenues and expenditures. Estimates of revenues from property taxes, state aid, and other sources are specified by fund class. Estimates of expenditures are reported by fund, function and object category. The object describes the "item" which is being purchased, while the function specifies the "purpose" for which the item is being purchased. In other words "supplies and materials" may be purchased for "instruction", "supporting services", or "extracurricular activities". All codes in the appropriations measure reflect these Uniform School Accounting System (USAS) guidelines.

Budget Process

Budget Preparation Process

The district's budget preparation process began in January and will conclude in June. The district's Budget Director, in cooperation with the Treasurer, directed the budget process.

The district Budget Advisory Committee, comprised of administrators, principals, and PTA President worked closely with the Budget Director and Treasurer on all aspects of the budget preparation process, and had significant input in shaping the recommendations within available resources.

The budget process included a tiered approach that allowed for review at several levels. Principals and office directors worked with their staffs to develop their budget requests, and then submitted them for review to their Department Directors. The Department Directors reviewed and approved the budget requests, and forwarded them for consideration to the district Budget Advisory Committee. The district Budget Advisory Committee made final recommendations to the Superintendent, who recommended the budget to the Board of Education through the Board's Finance Panel.

Budget Calendar

January	February	March & April
Revenue & Expenditures Developed for Base Budget; Initial Priorities are Developed.	Schools Begin Preparing Budget requests.	Budget Presentation to Departments; Schools Submit Requests.
Early May	Late May	June
Department Requests Submitted. Budget Priorities Finalized.	Budget Document Prepared and Submitted to Finance Panel.	Board Discussion and Approval.

Fiscal Policy Statements

General Financial Goals

- To maintain and enhance the sound fiscal condition of the district.
- To maintain financial flexibility in order to be able to continually adapt to local, state, and federal changes.
- To maintain a financially viable district that can maintain and provide quality educational services.

Operating Budget Policies

- An annual operating budget will be developed by verifying or conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.
- Current revenues are not sufficient to support operating expenditures. However, sufficient cash balances will prevent the need for borrowing.
- The district will forecast its General Fund expenditures and revenues for each of the next 5 years and will update this forecast at least annually.

Revenue Policies

- The district will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.

Expenditure Policies

- The district will maintain a level of expenditure that will provide a quality education to the students of the community.

Investment Policies

- The Treasurer will invest the district's money in accordance with applicable law and adopted investment policy.

Accounting, Auditing & Financial Reporting

- The district's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards of the Government Accounting Standards Board.
- Full and continuing disclosure will be provided in the general financial statements and bond representations.

Debt Policies

- The district will maintain a level of debt sufficient to support energy management programs not to exceed the legal debt limit of 0.9 of a mill.
- The district will use leasing and lease/purchase agreements as needed to provide quality education to the students of the community.
- The district will manage debt in accordance with all applicable law and adopted debt management policy.

Budget Overview

Introduction

The financial summary contains high-level financial information related to all fund groups in the district. This section is intended to provide the reader with concise information related to district operations for the upcoming period. Charts and tables will contain a brief, separate analysis to provide the reader with some perspective on district finances.

Basis of Budgeting

Budgets for all fund types (General Fund, Special Service, Debt, Capital Projects, and Fiduciary/Proprietary/Other) are prepared using the modified accrual basis. This means that obligations (e.g. purchase orders) of the district are budgeted as expenditures, but revenues are recognized only when they are measurable and available.

To summarize, revenues are estimated if they can reasonably be determined and collected within the current year. Principal and interest on the debt service fund is budgeted when expenditures are due, and all other expenditures are budgeted as obligations (liabilities) expected to be incurred.

In an effort to go toward program-based budgeting, the district has adopted a modified zero-based budgeting approach, replacing its past practice of incremental budgeting. Pure zero-based budgeting calls for administrators and principals to evaluate their needs anew, and to make budget requests by answering the question "*What do I need to achieve results?*" The FY 2001 budget still uses formula allocations for staffing and school supply budgets, but departments must submit prioritized and justified programmatic requests. While the district's needs will always outstrip available resources, the most critical needs to achieve results were identified and met in this budget.

Budget Assumptions

1. Property taxes collected at current rates adjusted for tax abatements and new construction.
2. Tax base (valuation growth projected at 1.8%).
3. State Foundation increase due to new funding formula that includes DPIA in ADM formula and increase in current funding due to the DeRolph case.
4. Salaries and wages adjusted for steps only and classified negotiated agreement. A budget revision to the General Fund will be requested upon completion of negotiations with the teachers union.
5. Health care costs anticipated to remain constant (less than 1% increase).
6. School supply budgets increased due to formula requirements and growth of 2.7%.
7. 40 new teachers to be hired as a result of federal class size reduction grant.

Budget Constraints

1. Tax revenue growth limited by statute.
2. Negotiated agreements limiting class size.
3. Athletic programs operating at a loss each year.
4. Current levies and State aid not sufficiently funding needed renovation and replacement of building.

Where It Comes From & Where It Goes

Consolidated Budget-All Funds

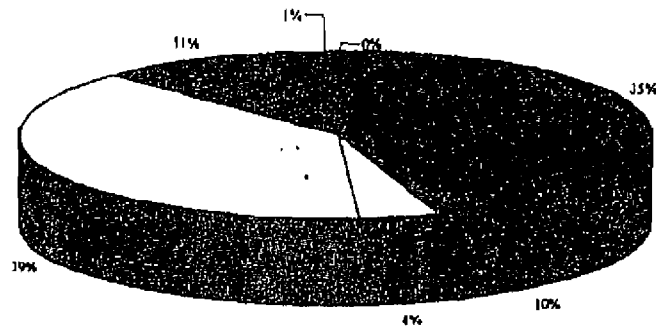
Total proposed appropriation for all fund groups for FY 2001 is \$674,405,970. This is \$53,357,508 or an 8.59% increase over FY 2000 of \$621,048,462.

Source of Funds (Revenue)

Total revenue from all fund sources comes from real estate property tax, personal tangible property tax, other local taxes, state

foundation and grants, federal grants, investments and borrowing. Total estimated revenue is projected to be \$634,556,000 for all fund groups for FY 2001. 49% of all revenue comes from local sources, 39% from state sources, 11% from federal sources, 1% investments, and 0% from borrowing.

Fy 2001 Total Consolidated Funds Revenue



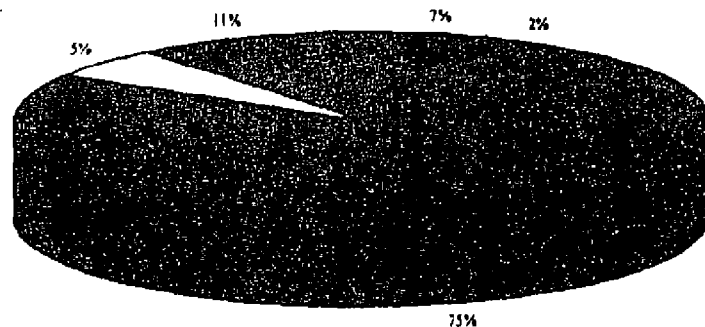
Real Estate Property Tax	Personal Tangible Property Tax	Other Local	State Revenues
Federal Revenues	Investments	Borrowing	

Appropriation (Expenditure) of Funds

Total estimated expenditures for all fund groups for FY 2001 is \$674,405,970.

Expenditures across all fund groups are estimated as follows: 75% for General Fund Class, 11% Special Revenue Fund Class, 2% for Debt Service, 7% for Capital Projects, and 5% for Fiduciary, Proprietary, and Other funds.

FY 2001
Total Consolidated Appropriation



Capital Projects	Debt Service	General Fund	Other	Special Revenue
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Where It Comes From & Where It Goes

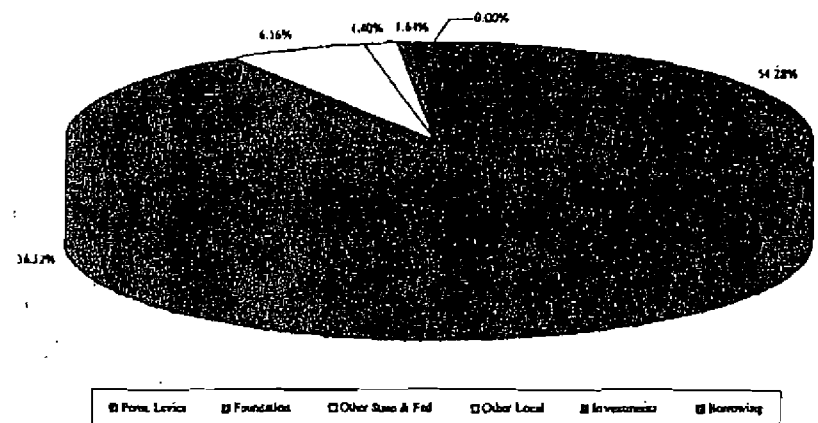
Operating Budget - General Fund

The general fund (operating budget) for FY 2001 is proposed at \$506,842,353. Of this amount, \$505,442,353 is new appropriation and \$1,400,000 is carryover of unspent budgets for schools.

This is an increase of \$20,650,027 or 4.25% over FY 2000's budget appropriation.

Please note that expected revenues for FY 2001 are \$504,265,000. This leaves the district with an expected deficit of \$2,577,353, which indicates that the district is on the downside of the current operating levy.

FY 2001 General Fund Revenue Estimate



Source of Funds (Revenue)

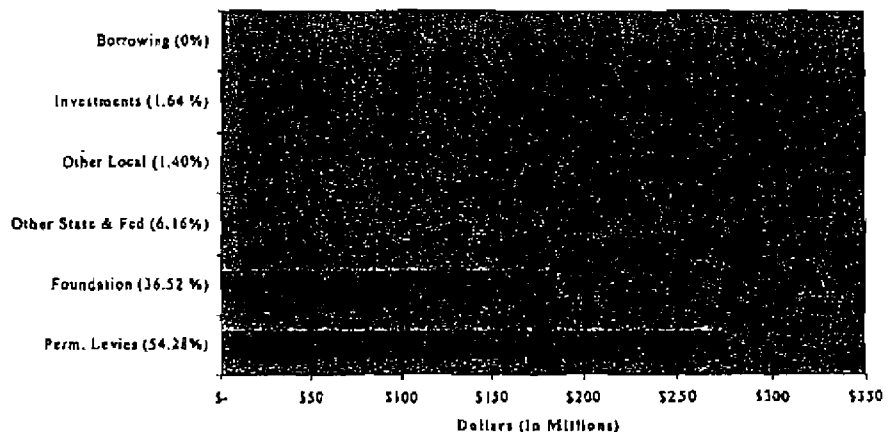
Ninety-seven percent of the district's general fund budget comes from permanent levies, state foundation aid, and other state and federal aid.

The district anticipates total general fund revenue of \$504,265,000 in FY 2001. This is an \$31,612,000 or a 6.7% increase from estimated actual revenue of \$472,653,000 in FY 2000. \$17,000,000 of this increase is estimated due to an advance collection of property tax income that the county auditor has deposited with the district.

The majority of funds in Permanent Levies are real property taxes. Other taxes that provide revenue to the district include personal property and business inventory taxes.

FY 2001 General Fund Projected Revenue

Foundation aid is the primary source of state funding, and is calculated by the state department of education in accordance with subsidy formulas prescribed in law. Recent changes in the formula have caused the district to see a significant increase in funding. Many of these



Aligning Allocations for Achievement



Proposed Budget FY 2001 Executive Summary

Rosa A. Smith, Superintendent

Jerry K. Buccilla, Treasurer

Where It Comes From & Where It Goes

increases are targeted to specific programs, such as vocational and special education, thereby reducing the district's flexibility to allocate dollars within the general fund.

Other State and Federal include state reimbursements and miscellaneous grants from the State and Federal Government that are deposited into the General Fund. Examples include Homestead and Rollback reimbursement, Medicaid reimbursement, and ROTC funding.

Other Local Funds represent miscellaneous revenues including donations, rental from real estate, and classroom rental fees.

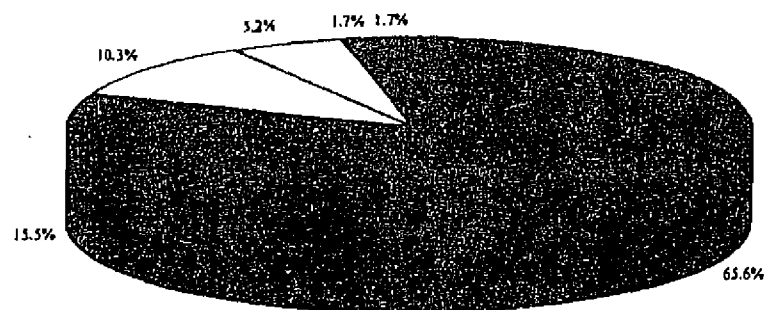
Investments are revenues earned as a direct result of returns on investment from portfolio activities.

Expenditure of Funds

The district's expenditures are composed of six major categories of objects of expense including ...

The \$11,925,779 or 3.72% increase in **Salaries** does not take into account the CEA negotiations currently taking place. It does include step increases for all staff and a cost-of-living adjustment for classified staff. It also includes the increase related to the additional administrative positions recently approved by the Board. Total changes are 7 new administrators, 11 new teachers, 4 nurses, and 10 classified staff. However, the district expects to save \$2.8 million related to the savings between 187 retiring teachers and their replacements.

**FY 2001 General Fund Budget
by Object**



Fringe Benefits are projected to increase by \$2,656,906 or 3.50% due to both an increase in staff, salaries, and anticipated health care costs.

The majority of the \$11,775,543 or 29.10% increase in **Purchased Services** is a direct result of the affect of community schools. The FY 2000 budget included the payment to community schools as an offset to revenue as opposed to an expenditure. For FY 2001, the payment of approximately \$6,000,000 will be included as an expenditure, as required by the State

Where It Comes From & Where It Goes

Department of Education. Also included in this category as well are meetings, travel, and tuition payments to other districts, utilities, and consultant services.

The \$26,427,142 allocated for Supplies represents an increase of \$44,522 over the FY 2000 budget. Included in this category are textbooks, library books, and other general supplies.

The \$7,923,699 or 47.58% decrease in Equipment & Capital Outlay is a direct result the availability of SchoolNet funds. The FY 2001 technology lease payment of approximately \$6,400,000 will be made from Fund 450

(SchoolNet) instead of the General Fund. This category also includes expenditures for other equipment and facilities improvement.

The \$2,170,976 or 33.70% increase in Transfer/Advances & Other is almost solely due to a transfer of the district's equity allocation, totaling \$1,666,095, to a new fund. This separate fund will allow for more thorough tracking of the equity expenditures. Also included in this category are Dues and Fees, Insurance, and Judgements.

The following is a functional or programmatic look to the district's finances. The district's expenditures are composed of eight major functional categories including...

Instruction accounts for 68.34% of the district's appropriation. Most of this money is dedicated to salaries, benefits, textbook purchases, and other supplies and materials. This is an increase of 4.19% over FY 2000 appropriation.

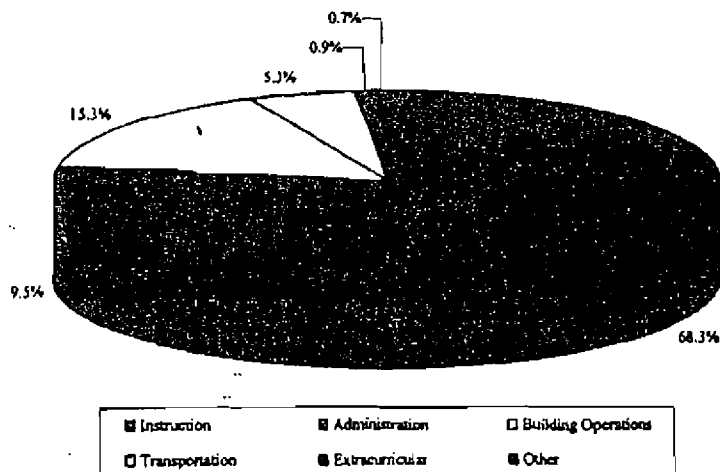
District-wide operational support services represent 30.05% of district expenses. Included in district-wide operational support is Administration, Building Operations, and

General Fund Appropriation Comparison by Object

Object Category	FY 1999 Expenditures	FY 2000 Appropriations	FY 2001 Appropriations	Dollar Change	Percentage Change
Salaries & Wages	\$301,490,307	\$320,340,246	\$332,266,025	\$11,925,779	3.72%
Fringe Benefits	\$69,680,724	\$75,904,391	\$78,561,297	\$2,656,906	3.50%
Purchased Services	\$27,916,156	\$40,469,565	\$52,245,108	\$11,775,543	29.10%
Supplies	\$15,948,816	\$26,382,620	\$26,427,142	\$44,522	0.17%
Equipment & Capital Outlay	\$6,123,139	\$16,653,240	\$8,779,541	(\$7,923,699)	-47.58%
Transfer/Advances/Other	\$18,876,028	\$6,442,264	\$8,613,240	\$2,170,976	33.70%
Total	\$330,035,360	\$480,192,326	\$506,912,153	\$26,719,827	5.57%

Object Category	FY 2000 Appropriations	Percent of FY 2000 Total	FY 2001 Appropriations	Percent of FY 2001 Total
Salaries & Wages	\$320,340,246	66.89%	\$332,266,025	65.56%
Fringe Benefits	\$75,904,391	15.61%	\$78,561,297	15.50%
Purchased Services	\$40,469,565	8.32%	\$52,245,108	10.31%
Supplies	\$26,382,620	5.43%	\$26,427,142	5.21%
Equipment & Capital Outlay	\$16,653,240	3.43%	\$8,779,541	1.72%
Transfer/Advances & Other	\$6,442,264	1.33%	\$8,613,240	1.70%
Total	\$480,192,326	100%	\$506,912,153	100%

FY 2001 General Fund Budget by Function



Where It Comes From & Where It Goes

Transportation. Most of these costs are represented in salaries, but also included are equipment and capital outlay for the facilities effort previously mentioned. The increase in administration is related to the new approved organizational structure, increase of 2.5% for steps, and the 1.67 million transfer for the equity fund. Increases in transportation are related to step increases, the negotiated contractual agreement, and increased operating costs (e.g. fuel, vehicle maintenance).

Extracurricular activities are less than 1% (0.91%) of general fund activities and primarily fund supplemental contracts for teachers and pay transportation costs, groundskeepers, etc.

Other is 0.68% of the budget and represents the bond transfer necessary to pay debt on the district's energy conservation program, and the transfer to support district athletic programs that operate at a loss annually.

General Fund Budget Comparison By Function

Expenditure Category	FY 1999 Expenditures	FY 1999 Percent of Total	FY 2000 Appropriation	FY 2000 Percent of Total	FY 2001 Appropriation	FY 2001 Percent of Total
Instruction	\$299,124,549	67.74%	\$332,461,463	68.39%	\$346,389,143	68.35%
Administration	\$41,980,176	9.51%	\$45,033,145	9.26%	\$48,069,273	9.46%
Building Operations	\$56,991,220	12.36%	\$76,443,782	15.72%	\$77,309,886	15.25%
Transportation	\$21,655,469	4.90%	\$25,187,705	5.18%	\$26,982,384	5.32%
Extracurricular	\$3,923,910	0.90%	\$4,594,231	0.94%	\$4,627,822	0.91%
Other	\$15,832,172	3.59%	\$2,472,000	0.51%	\$3,463,845	0.69%
Grand Total	\$441,511,496	100.00%	\$486,192,326	100.00%	\$506,842,351	100.00%

Expenditure Category	FY 2000 Appropriation	FY 2001 Appropriation	Dollar Change	Percentage Change
Instruction	\$332,461,463	\$346,389,143	\$13,927,680	4.19%
Administration	\$45,033,145	\$48,069,273	\$3,036,128	6.74%
Building Operations	\$76,443,782	\$77,309,886	\$866,104	1.13%
Transportation	\$25,187,705	\$26,982,384	\$1,794,679	7.13%
Extracurricular	\$4,594,231	\$4,627,822	\$33,591	0.73%
Other	\$2,472,000	\$3,463,845	\$991,845	40.12%
Grand Total	\$486,192,326	\$506,842,351	\$20,650,027	4.25%

Where It Comes From & Where It Goes

Combined View of Expenditures by Function and Object.

To have a complete understanding of the general fund, a summary matrix of the relationship between function and object is presented. This view presents a more detailed look at district finances.

Highlights of this analysis clearly show that 48.58% of district funds go to Salaries and Wages for Instruction. Fringe Benefits for Instruction accounts for another 11.48%. Columbus Public Schools has 60.06% of its dollars in total salary costs related solely to instruction. All other combined salary and fringe benefits only equate to 21.03%. This is a 3-1 ratio of salaries dedicated to instruction verses all other district operations (administration, transportation, custodians, etc.)

FY 2001 General Fund Budget Comparison By Function and Object in Dollars

Expenditure Category	Salaries	Fringe Benefits	Purchased Services	Supplies	Equipment & Capital Transfers/Advances	Total
Instruction	\$ 246,102,833	\$ 58,188,789	\$ 22,135,273	\$ 16,969,064	\$ 2,860,784	\$ 346,389,143
Administration	\$ 32,688,841	\$ 7,728,981	\$ 2,289,276	\$ 831,069	\$ 259,956	\$ 48,069,273
Building Operations	\$ 34,953,350	\$ 8,264,404	\$ 23,453,537	\$ 6,398,801	\$ 3,921,094	\$ 77,309,886
Transportation	\$ 15,340,968	\$ 3,627,233	\$ 3,734,968	\$ 2,192,608	\$ 1,657,407	\$ 26,982,384
Extracurricular	\$ 3,180,033	\$ 751,890	\$ 632,054	\$ 35,600	\$ 27,550	\$ 4,627,822
Other	\$ -	\$ -	\$ -	\$ -	\$ 2,750	\$ 3,461,095
(Grand Total)	\$ 332,246,025	\$ 78,561,297	\$ 52,245,108	\$ 26,327,142	\$ 8,729,541	\$ 506,842,153

FY 2001 General Fund Budget Comparison By Function and Object by Percent

Expenditure Category	Salaries	Fringe Benefits	Purchased Services	Supplies	Equipment & Capital Transfers/Advances	Total
Instruction	48.58%	11.48%	4.37%	3.35%	0.54%	68.35%
Administration	6.45%	1.52%	0.45%	0.16%	0.05%	9.47%
Building Operations	6.90%	1.63%	4.63%	1.26%	0.77%	15.25%
Transportation	3.03%	0.72%	0.74%	0.43%	0.33%	5.33%
Extracurricular	0.63%	0.15%	0.12%	0.01%	0.01%	0.92%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%
(Grand Total)	65.59%	15.50%	10.31%	5.21%	1.70%	100.00%

Other Funds-Sources of Revenue and Expenditures

Although the majority of the district's funds are accounted for in the General Fund, approximately 25% are held in 6 other fund classes. The following is a description of each of those fund classes and a list of all funds included within them.

Where It Comes From & Where It Goes

Special Revenue Funds

Special Revenue Funds are used to account for proceeds from specific revenue sources such as state and federal grants and local fundraising efforts, including funds raised by schools through student activities and athletics. The following are the special revenue funds used by the district and the projected appropriation levels needed for FY 2001.

018	Public School Support	1,948,799
019	Other Grants	1,211,148
032	School Improvement Models	409,886
300	District Managed Activity	2,985,373
402	Disadvantaged Pupils Program	-
406	Consumer Education	11,140
407	Urban Pilot Projects	-
412	Excellence In Education	-
416	Teacher Development	395,433
425	Early Childhood Grant	1,109,855
426	Industrial Training Program	100,650
428	Career Enhancement Program	139,977
432	Management Information Systems	366,448
439	Public School Preschool	549,696
440	Entry Year Program	-
447	Disadvantaged Pupils Impact Aid	-
451	Data Communication	1,519,518
452	Schoolnet Professional Development	261,205
455	Instructional Material Subsidy	7,748,722
456	Special Transition Funding Plan	-
459	Ohio Reads	914,947
499	Other State Grants	4,204,923
501	Adult Basic Education	967,535
502	Job Training Partnership Act	-
514	NDEA Title III	1,688,087
516	EHA Title VI-B	4,359,373
524	Vocational Education	4,205,616
548	Indian Education Grants	6,445
571	Transition Program - Refugee Child	200,000
572	ECIA Chapter 1	21,464,953
573	ECIA Chapter 2	3,847,997
577	Emergency Immigrant Education Assistance	177,481
584	Drug Free School Grant	1,477,466
585	Early Childhood Education	-
587	EHA Preschool	259,711
599	Miscellaneous Federal Grants	10,773,420
	TOTAL	73,305,804

Where It Comes From & Where It Goes

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general short-term and long-term debt principal and interest. The district currently does not have an outstanding general obligation bond issue. However, the district has issued debt in the form of notes to support the district's capital improvement for energy conservation.

These notes were issued in accordance with Ohio Revised Code section 133.06 (G). This section of the Revised Code allows Boards of Education to incur indebtedness without a vote of the people. The maximum indebtedness is up to 9/10ths of 1 percent of all total value of property listed and assessed for taxation for the purposes capital improvement.

The following is the debt service fund used by the district and the projected appropriation levels needed for FY 2000.

002	Bond Retirement	13,969,500
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Capital Project Funds

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The district is currently in the process of reviewing its facility needs and has issued 2 different reports, the Comprehensive Facilities Use Plan and 21st Century Learning Environments. Both of these reports show needed facilities renovation and repair is astounding. The district needs at least \$600 million in facilities repairs over the next 20 years. The average age of the building stock is 50 years with the newest building being 24 years and the oldest is 124.

To begin to address some of these issues, the district is taking advantage of programs on energy conservation to improve buildings and taking advantage of State matching programs to fund facilities. However, current levies and state aid are not sufficient to address the need of repair and renovation.

Therefore, the district has prioritized its \$30 million dollar facilities effort as follows:

- \$13.6 million for energy conservation (such as window replacement, furnace upgrades, insulation, etc.) in FY 2001 district wide.
- \$2.5 million in costs to reopen Woodcrest Elementary.
- \$2 million electrical improvements district wide.
- \$1 million of roofing improvements district wide.
- \$3.2 million on lighting improvements.

While this does not represent the total \$30 million expenditure, these are our top facility projects.

Computer equipment replacement has also been a focus of our capital projects. The district has done a lease/purchase of \$30 million worth of computers for classroom learning. The district is

Where It Comes From & Where It Goes

including instructional technology as a capital project due to the materiality of the purchase, and due to the fact that major building structural changes are occurring as a direct result of the procurement.

The following are the capital project funds used by the district and the projected appropriation levels needed for FY 2000.

003	Permanent Improvement	4,744,903
005	Replacement	201,000
450	Schoolnet Equipment	12,395,820
453	Telecommunity	136,186
457	Power Up Technologies	2,731,550
496	School Building Assistance Fund	22,631,919
588	Telecommunications Act Grant (E-Rate)	1,000,000
	TOTAL	43,841,378

Proprietary Funds

Proprietary funds are used to account for operation of the district that are financed and operated in a manner similar to private business, such as food service and adult education. The following are the enterprise funds used by the district and the projected appropriation levels needed for FY 2001.

006	Food Service	22,666,992
009	Uniform School Supplies	285,752
011	Rotary-Special Services	7,569
012	Adult Education	2,622,229
020	Special Enterprise Fund	3,586,520
	TOTAL	29,169,062

Fiduciary Funds

008	Endowment	54,559
200	Student Managed Activity	993,466
	TOTAL	1,048,025

Other Funds

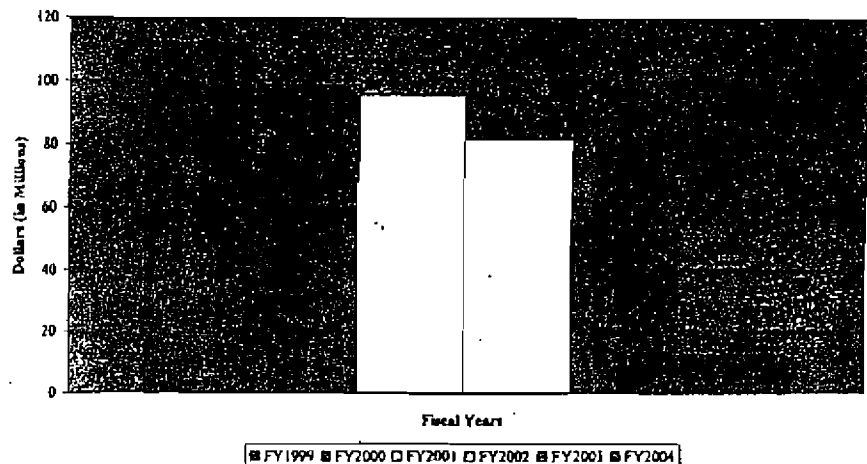
025	Computer Network	246,580
401	Auxiliary Services (NPSS)	5,983,268
	TOTAL	6,229,848

General Fund Balance & Financial Forecast

The tables that follow provide a review of General Fund Balances, Revenues, and Expenditures, over the five-year forecast period. The following graph outlines the district's projected general fund balance position over the five-year period.

As depicted, total general fund balance is projected to decrease over the next 5 years. Beginning in FY 2001, total fund balances are projected to decline reflecting the natural challenge of Ohio school district financing. This is due to tapped revenue growth of school revenues and natural inflationary growth on expenditure costs. However as detailed in the above General Fund Balance chart, the district's fund balance is projected to be positive into FY 2004. This illustrates that the district has been able to stretch the additional revenues realized from the passage of a 5.5 mill-operating levy in November 1996 to over a six-year life. This will only be able to be accomplished through continued strong fiscal management of the district's finances.

Ending General Fund Balance Projection



General Fund Cash-Flow by Year (in Thousands)

Revenue

	FY1999 ACTUALS	FY2000 ESTIMATE	FY2001 ESTIMATE	FY2002 ESTIMATE	FY2003 ESTIMATE	FY2004 ESTIMATE
Perm. Levies	\$ 271,085	\$ 262,867	\$ 273,734	\$ 277,840	\$ 282,008	\$ 286,238
Investments	\$ 8,749	\$ 8,468	\$ 8,256	\$ 8,198	\$ 7,968	\$ 8,167
Other Local	\$ 7,614	\$ 7,007	\$ 7,077	\$ 7,000	\$ 7,100	\$ 7,277
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foundation	\$ 166,044	\$ 163,877	\$ 184,155	\$ 185,319	\$ 186,000	\$ 189,720
Other State & Fed	\$ 31,756	\$ 30,434	\$ 31,043	\$ 30,500	\$ 30,452	\$ 31,061
Adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 485,248	\$ 472,653	\$ 504,265	\$ 508,857	\$ 513,528	\$ 522,463

Expenditures

	FY1999 ACTUALS	FY2000 ESTIMATE	FY2001 ESTIMATE	FY2002 ESTIMATE	FY2003 ESTIMATE	FY2004 ESTIMATE
Salaries	\$ 303,490	\$ 320,341	\$ 332,266	\$ 346,486	\$ 360,345	\$ 374,759
Fringes	\$ 69,681	\$ 75,904	\$ 78,361	\$ 82,093	\$ 85,377	\$ 88,792
Services	\$ 27,916	\$ 40,470	\$ 52,245	\$ 38,691	\$ 39,852	\$ 41,047
Supplies	\$ 15,949	\$ 26,382	\$ 26,427	\$ 26,225	\$ 27,012	\$ 27,822
Equipment	\$ 6,123	\$ 16,653	\$ 5,132	\$ 21,908	\$ 22,565	\$ 23,242
Repayment of Debt	\$ -	\$ -	\$ 3,598	\$ -	\$ -	\$ -
Other	\$ 2,647	\$ 1,000	\$ 5,152	\$ 3,183	\$ 3,278	\$ 3,377
Adjmt/Transfers	\$ 16,229	\$ 3,442	\$ 3,461	\$ 4,000	\$ 4,000	\$ 4,000
Total Expenditures	\$ 442,035	\$ 486,192	\$ 506,842	\$ 522,586	\$ 542,329	\$ 563,039

Cash Balance

Beginning Balance	\$ 71,929	\$ 111,542	\$ 98,003	\$ 95,426	\$ 81,697	\$ 52,796
Budget Reserve	\$ (3,600)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue/(Expenditures)	\$ 43,213	\$ (13,539)	\$ (2,577)	\$ (13,729)	\$ (28,901)	\$ (40,576)
Ending Balance	\$ 111,542	\$ 98,003	\$ 95,426	\$ 81,697	\$ 52,796	\$ 12,220

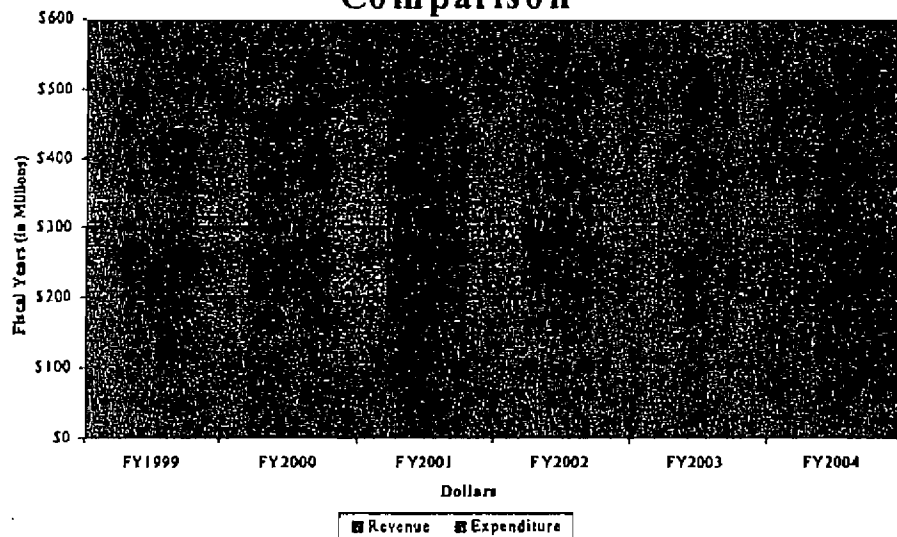
General Fund Balance & Financial Forecast

It should be noted that the projected forecast does not account for an increase in future costs that may occur from future negotiated agreements with the district's unions. In view of the Board of Education's interest in determining the impact of current budget decisions on the district's future financial position, the district's Five Year Financial Forecast has been updated to reflect the FY 1999-2000 Budget with actual amounts for FY 1999-2000 through April 2000.

Over the five year forecast period, the district's revenue and expenditures are projected to maintain fairly consistent growth patterns. Revenues are anticipated to grow by an annual average increase of 1.8% a year. This relatively stagnant growth in revenues is not untypical of revenue growth patterns of most school districts in the State of Ohio. This is due to the fact that the main source of revenues for Ohio school districts

are for all intensive purposes 'tapped' from growing annually. Expenditures are projected to increase at an average rate of 3.8% over the forecast period. The exception to the projected growth rate is during FY 2001 when the expenditures are projected to increase by 8.1%. This growth in FY 2001 is a direct result of the district's commitment to focusing educational dollars toward reading programs.

Revenue and Expenditure Comparison



Financial Forecast Assumptions

Economic diversity has been the key to the consistent rate of growth in the Columbus metropolitan area. A variety of goods and services are provided by Columbus firms, and no single economic activity, public or private dominates the Columbus economy. Nine of the 22 largest employers in the City are governmental or government-oriented. The major Columbus Metropolitan Area employers, representing government, insurance, public utilities, retail, banking, research, medical and services, provide a broad and stable employment base.

General Fund Balance & Financial Forecast

The sectors and their percentages of the Columbus Metropolitan Statistical Area employment base is as follows:

Finance, Insurance and Real Estate	9.20%
Construction	4.77%
Manufacturing	10.70%
Transportation and Other	
Public Utilities	4.60%
Wholesale and Retail Trade	25.26%
Services	27.09%
Government	16.40%

Source: Ohio Bureau of Employment Services, Labor Market Information Division (April 2000).

REVENUE ASSUMPTIONS

Local Property Taxes

Columbus City School District property tax revenue makes up approximately 60% of the district's revenue used for operations. In comparison to other jurisdictions within Franklin County, the Columbus City School District has a moderate effective tax rate. Because of the stable central Ohio economy, moderate tax rates, favorable abatement agreements and other economic factors, local property tax revenue is forecasted to grow by 1.5% a year over the next several years.

Other Local Revenue

Other local revenue, including investment earnings, tuition income, excess cost payments, payments in lieu of taxes, and other miscellaneous income, is forecasted to grow by 1.0% over the next several years.

State Foundation

Absent settlement of the Ohio Supreme Court decision that declared the current Ohio school funding system unconstitutional, forecasting state support for public education in Ohio is difficult at best. The Columbus City School District foundation payments have been forecasted by using the anticipated fiscal 2000 payment and applying a 2.0% annual growth rate for future years.

Property Tax Allocation

The state percentage of local property tax duplicate is forecasted to increase by 1.5% over the next several years.

Other State & Federal

All other revenue is forecasted to have a 2.0% growth, after adjustment for the one-time payments or settlements. These are time adjustments and are not expected to have a significant effect on the other revenue category.

General Fund Balance & Financial Forecast

EXPENDITURES ASSUMPTIONS

Salaries

The Columbus City School District employees' salary amounts are forecasted using existing negotiated labor agreements and historical patterns regarding overtime, supplemental, extended and substitute pay. The calculated annual growth figure is 4.0%.

Employee Benefits

Because the district's benefit costs are closely related to the district's payroll cost, the overall benefit cost is forecasted to increase by 4.0% each year over the next several years.

Purchased Services

The Columbus City School District purchased service expenditures are forecasted to increase by 3.0% each year over the next several years.

Material, Supplies and Text

Expenditure for material supplies, textbooks and related items are forecasted to increase by 3.0% within the Columbus City School District over the next several years.

Special Set-Asides

The Columbus City School District anticipates compliance with special set-aside requirements of House Bill 412 by tracking expenditure of funds allocated in the district purchased service; material, supplies and text; and capital outlay categories. The Columbus City School District will set up a Budget Reserve per requirements of House Bill 412. However, because of forecasted low percentages of increase, the district will not reach the 5% budget reserve target level.

Organization and Staffing

Overview

Under Ohio Revised Code, school districts are organized as separate fiscal and legal entities from other local governments in the state. As such, Boards of Education are empowered to organize the management structure in a way that is most beneficial to the students and communities that they serve. The only restriction that is placed on them is that they must employ both a Superintendent and a Treasurer. Both report directly to the Board of Education. In this arrangement, the Superintendent and Treasurer are independent from one another, but work together to ensure sound fiscal practices. From a financial perspective, the Superintendent is responsible for the budgeting and financial planning for the district, and the Treasurer is responsible for the collection, disbursement, and investment of district funds.

In September 1999, Phi Delta Kappa presented to the Board of Education its Curriculum Management Audit. This audit has and will continue to significantly inform the district's work. With respect to the district's administrative organization, the audit specifically found that the district's "organizational chart was inadequate to require essential tasks and responsibilities required for effective curriculum management". In response, in May 2000, the Board of Education approved the administrative organization structure proposed by the Superintendent. The approved organizational structure will take effect August 1, 2000. Full implementation will be completed by August 2001.

The new administrative organization does the following:

- Reduces the Superintendent's span of direct supervision.
- Aligns curriculum programming with schools by placing Executive Directors of Principal Leadership Development (and the schools they supervise) under the Deputy Superintendent for Academic Achievement.

In response to concerns expressed by the Auditor of State in his financial and performance audits, the Board of Education created an Internal Audit Director in FY 1999. This position reports directly to the Board of Education and will review fiscal compliance with appropriate state and federal laws for the district. The position is expected to be filled in early FY 2001.

The district has two major divisions – Academic Achievement and Business and Operations -- each of which under the new administrative organization will be directed by a Deputy Superintendent. In addition to the two Deputy Superintendents, the Superintendent has five other direct reports.

Academic Achievement

The primary function of the Division of Academic Achievement is to advance the district's Goal 1: Increase student academic achievement.

The Division of Academic Achievement has five major departments: 1) Pupil Services, 2) *Project GRAD*/Urban Academy, 3) Curriculum and Staff Development, 4) Principal Leadership Development, 5) Educational Services and Resources.

Organization and Staffing

Pupil Services

Pupil Services provides a variety of support programs to schools and has five offices:

- The Office of Student Activities coordinates extra curricular activities primarily related to athletics;
- The Office of Health/Family and Community Services coordinates issues related to student health;
- The Office of Behavioral Management coordinates student disciplinary issues;
- The Office of Guidance and Counseling coordinates the schools' guidance and counseling program and oversees the districts Alcohol, Tobacco, and Drug (ATOD) grant; and
- The Office of Community-in-Schools coordinates various programs offered by social service agencies and other non-academic programs that advance our district's goals, including federally-funded after school learning centers.

Project GRAD/Urban Academy

*Project GRAD*³/Urban Academy is responsible for a specialized curriculum designed to promote retention and increase graduation. Based upon the Houston *Project GRAD* model, the district has focused on the Linden McKinley high school feeder system of elementary and middle schools to provide the necessary resources and support to increased student achievement. The Urban Academy portion of this department has focused on providing professional development activities at Beck and Parkmoor Elementary Schools and South High School. This program is designed to increase graduation rates through the development of high quality professional development for Columbus Public Schools teachers and administrators focused on their School Continuous Improvement plans.

Curriculum and Staff Development

Curriculum and Staff Development is responsible for the development of curriculum and the training of district staff to effectively deliver and sustain the curriculum. Included in this department are the Offices of Elementary, Middle, and High School Curriculum, which are responsible for the development and implementation of the core curriculum at each level. The department also has the Offices of Reading and Safety Nets, Equity and Multi-Cultural Education, ABLE⁴/Adult Education, and USI/NSF⁵ Project. These Offices are responsible for the development and implementation of supplemental curriculum in the district.

Principal Leadership Development

Principal Leadership Development is responsible for the supervision and leadership development of the building principals. Five Executive Directors are assigned to school divisions (high school, middle school, and three elementary school divisions) to enhance principals' instructional leadership skills to ensure quality teaching and learning in their schools.

Educational Services and Resources

Educational Services and Resources is responsible for development and implementation of curriculum and services for the district's special education population. Included in this

³ Graduation Really Achieves Dreams

⁴ Adult Basic Literacy Education

⁵ Urban Systemic Initiative/National Science Foundation

Organization and Staffing

department are five schools who serve emotionally disturbed children, the supervisors for ESL⁶, Gifted and Talented, Case Management/Medicaid, SED⁷/Home Instruction, Multi-handicapped/Work Study, LD/DH⁸, and Visually-Impaired & Special Needs Preschool.

Business and Operations

The primary function of the division of Business and Operations is to support Goal 2: Operate the district more efficiently and effectively.

Operations

Operations is responsible for the day to day support services that allows quality teaching and learning to occur in every school building. The Division has five offices, which include Transportation, Buildings and Grounds, Food Services, Environmental Safety & Health, and Purchasing/Distribution Services. These offices ensure goods are purchased and delivered to schools, children are fed, children are safely transported to and from school, and that buildings are clean and well maintained.

Safety and Security

Safety and Security is responsible for the protection and security of children and staff. They provide guidance and assistance to schools to prevent theft and violence, and coordinate with the police on issues of safety.

Personnel Services

Personnel Services is responsible for all human resource, including hiring, terminations, grievances, benefits, employee services, and labor negotiations.

Customer Relations

Customer Relations is responsible for responding to, investigating and resolving customer questions and /or complaints received by telephone, letter or walk-ins.

Compliance

Compliance is responsible for the review of federal and state laws to ensure that the district is meeting these standards. Such review includes (but is not limited to) Americans with Disabilities and Sexual Harassment.

Information Management

Information Management is responsible for all information systems maintained by the district. This department manages the wide-area network, instructional computer installation, library and media services, student information system, and various other legacy systems.

⁶ English as a Second Language

⁷ Severe Emotionally Disturbed

⁸ Learning Disabled/Developmental Handicapped

Organization and Staffing

Administrative Services

Administrative services is responsible for the teacher allocation process, projecting student enrollments, maintaining room usage data for placement of special education units, verifying district zoning with neighboring districts, and manages open enrollment lottery.

Superintendent's Office

Office of the Superintendent

The Office of the Superintendent provides overall executive direction and vision for the district. This direction and vision is provided through leadership, setting administrative procedure, and ensuring that divisions, departments, and schools maintain high levels of performance.

The Superintendent and her Direct Reports are responsible for advancing all of the district's goals.

Chief of Staff

The Chief of Staff ensures that the divisions and departments in the administration support the work with the Office of the Superintendent to advance the district's goals. The Chief of Staff directs Legal Services, Legislative Services, Board Services, and the executive protection unit of the Superintendent's Office.

Accountability

Accountability develops and manages data reports for purposes of assessing program effectiveness. Included in this department are Assessment and Testing, Evaluation Services, and Grants Evaluation.

Budget & Financial Management

Budget and Financial Management prepares and manages the district's budget. The office develops revenue and spending plans, assesses the fiscal impact analysis of legislation (or other economic trends), and monitors spending to ensure budget goals are met. The office also holds staff training sessions to help administrators understand and manage their funds, and communicate changes in district fiscal practice.

Development and Communications

Development and Communications manages the district's external relations, including community partnerships, media relations, communications, and fundraising.

Special Assistant to the Superintendent

The Special Assistant to the Superintendent oversees the implementation of special projects; designs, directs and manages Board sanctioned projects and initiatives that support the goals of the district; and guides the broad strokes of aligning the superintendent's schedule and functions to support the goals of the district.

Organization and Staffing

Staffing Data

Below is a 3-year history of staffing information separated by major staffing classification: Central Office Administration, Building Administration, Teachers, and Classified Staff.

3 Year Staffing History

General Fund Staff Administrators	FY 1999 FTE	FY 2000 FTE	FY 2001 FTE
Schools	217.00	221.00	221.00
Central Office	76.00	82.00	89.00
Total	293.00	303.00	310.00
Teachers			
Elementary	1,982.97	1,993.68	1,995.00
Middle School	678.00	705.70	704.00
High School	684.50	681.00	692.00
Classroom Support	148.60	149.90	150.00
Special Education	659.98	662.00	662.00
Vocational	283.00	283.00	283.00
Other Certificated Staff	384.60	385.70	390.00
Total	4,821.65	4,860.98	4,876.00
Classified Personnel			
Clerk Typist	328.62	328.38	329.00
Educational Aides	668.11	670.07	670.00
Bus Drivers	328.14	328.03	328.00
Custodians	487.86	489.43	490.00
Others	445.21	449.50	459.00
Total	2,257.94	2,265.41	2,276.00
General Fund Total	7,372.59	7,429.39	7,462.00
Non-General Fund Staff*	919.22	990.39	1,030.00
Grand Total	8,291.81	8,419.78	8,492.00

Notes

* Outside fund staff includes teachers, and classified staff.

** FY 1999 are filled positions only. Vacancies are not included.

Columbus Public Schools
Instructional Information Support Services

Instructional Technology Business Plan

June-99

General Overview

Current Environment

Overview

The Columbus Public School District provides instructional services to more than 65,000 students in 144 different buildings. In the current environment, each principal can purchase instructional software and hardware for his/her building. This has created quite a mixture of technology in the classrooms ranging from 1980's technology up to the latest available. Some buildings have networks connecting desktops to print servers, while others have stand-alone desktops. None of the instructional software is aligned with state learner competencies and very few buildings have purchased the same software.

Specific examples of technology in the buildings include:

- Apple IIe's in use in middle schools to teach basic programming,
- IBM model 8088's(built in 1983) in use in labs for business students,
- Libraries are not automated and contain a mix and match of hardware,
- Computers with 5 1/4 inch floppies,
- Computers with Zip drives, and
- High-end Mac's in very few locations.

Specific Programs

Numerous programs within the District have supplied hardware and software for instructional purposes. These include:

- School Vista is in 10 buildings. This program uses IBM hardware and proprietary software that is currently not aligned with state learner competencies in the format that the Columbus Public Schools will use in aligning curriculum software.
- Learning Packs are individual pieces of software that Compaq bundles and sells with their machines. Currently, this is being used in five buildings. This program uses Compaq hardware and software that is not aligned with state learner competencies.
- Many of the elementary and secondary schools have Apple hardware and software. The computers were purchased and bundled with the software, which is not aligned with state learner competencies.

Network Environment

On the positive side, there have been many improvements made over the past several years. These upgrades include:

- Seventy-six buildings with two CAT 5 and 4 fiber cables (two terminated and two dark) into each classroom,
- T1 line to every building, with two T1's to Beck and Parkmoor for ATM video, and
- Each library has an Internet connection, the minimum being a dial-up connection.

Although 76 buildings have classrooms that are wired, many of the classrooms do not have the hardware to allow them access to the Internet.

Vision of the future

Each Columbus Public School student will know how to use a computer for research, collaboration and general functions necessary in the business world. Each teacher will know how to use the computer to enhance student learning.

The software will align with the state learner competencies and be consistent across the district. Software effectiveness will be assessed on a regular basis. There will also be ongoing, district-wide effective professional development for teachers to enable them to use the technology to the student's advantage.

This will require at a minimum, one up-to-date computer for every five students. The computer configuration and software will be consistent within a building and across the district. This equates to approximately five computers in every classroom. Each of these computers will be networked and connected to the Internet. Keeping the computers up-to-date will require a technology refresh program where hardware and software will be upgraded every three to four years.

Every student and teacher within the district will be able to communicate with others in the building, in the district and around the world via e-mail and shared knowledge bases.

Every library will be automated so that schools across the district can share resources. There will be a true media center in each library.

Future plans to be looked at include the district handling their own maintenance in conjunction with existing manufacturer's. The district currently contracts the maintenance of equipment through an outside vendor.